

**COLE, SCHOTZ, MEISEL,
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Proposed Co-Counsel to the Official
Committee of Unsecured Creditors of
Shapes/Arch Holdings L.L.C., et al.

In re:

SHAPES/ARCH HOLDINGS L.L.C., et al.,
Debtors.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
HON. GLORIA M. BURNS
CASE NO. 08-14631(GMB)

Chapter 11
(Jointly Administered)

**AFFIDAVIT OF MICHAEL D. SIROTA,
ESQ., PURSUANT TO SECTIONS 328(a),
1103 AND 504 OF THE BANKRUPTCY
CODE AND DISCLOSURE PURSUANT
TO FEDERAL RULES OF BANKRUPTCY
PROCEDURE 2014(a) AND 2016(b)**

STATE OF NEW JERSEY)
) SS.:
COUNTY OF BERGEN)

MICHAEL D. SIROTA, of full age, being duly sworn according to law, upon his oath,
deposes and states:

1. I am an attorney-at-law of the State of New Jersey and a member of Cole, Schotz,
Meisel, Forman & Leonard, P.A. (“Cole Schotz”). I submit this Affidavit pursuant to Sections
328(a), 1103(b) and 504 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure

2014(a) and 2016(b) in support of the Application of the Official Committee of Unsecured Creditors (the “Committee”) of Shapes/Arch Holdings L.L.C., et al. (the “Debtors”),¹ to approve its retention of Cole Schotz as co-counsel to the Committee in these Chapter 11 proceedings, *nunc pro tunc* to March 31, 2008.

2. The legal services which Cole Schotz will provide on the Committee’s behalf in these cases include, but are not limited to, the following:

- (a) serve as local counsel to Halperin Battaglia Raicht, LLP (“HBR”), proposed co-counsel to the Committee herein;
- (b) serve as conflicts counsel to the Committee in matters involving or related to The CIT Business Group/Business Credit, Inc., for itself and as agent for certain pre- and post-petition lenders; and
- (c) perform any other legal services requested by the Committee or HBR and necessary herein, and will coordinate with HBR to avoid duplication of services.

3. Cole Schotz will submit detailed statements to the Court setting forth the services rendered during the Chapter 11 proceedings, and seeking compensation and reimbursement of expenses. It is contemplated that Cole Schotz will be compensated for the services described herein at its ordinary billing rates and in accordance with its customary billing practices with respect to its out-of-pocket expenses, all pursuant to the provisions of the Bankruptcy Code and Rules and the fee procedures order entered in these cases and subject to this Court’s approval.

¹ The Debtors are Shapes/Arch Holdings L.L.C., Shapes L.L.C., Delair L.L.C., Accu-Weld L.L.C., and Ultra L.L.C.

4. Cole Schotz will be rendering services on an hourly basis. The current rates of Cole Schotz members, special counsel, associates, and paralegals are as follows:²

<u>Rates</u>	
Members	\$300.00 - \$625.00
Special Counsel	\$320.00 - \$375.00
Associates	\$150.00 - \$385.00
Paralegals	\$120.00 - \$215.00

5. In preparing this Affidavit, I used a set of procedures developed by Cole Schotz to ensure full compliance with the requirements of the Bankruptcy Code and the Federal and Local Rules of Bankruptcy Procedure regarding the retention of professionals (the “Retention Procedures”). Pursuant to the Retention Procedures, and under my direction and supervision, Cole Schotz performed a conflict of interest search to identify any actual or potential conflicts of interest. The Retention Procedures included:

(a) Review of a list of creditors provided by the Debtors identifying those parties that potentially possess claims or adverse interests against the Debtors (the “Entity List”).

(b) Cole Schotz maintains a database of current and former clients and related information that has been collected (the “Database”). Cole Schotz then searched the Database and compiled a list of those entities for which Cole Schotz attorney fees were billed during at least the past ten (10) years (the “Client List”).

(c) Cole Schotz compared the names of the entities identified in the Entity List with the names in its Database, the Client List and the responses from an attorney e-mail

² These rates are subject to periodic review and adjustment.

solicitation to identify potential matches, and to determine whether these matches are current clients, and if so, identify the Cole Schotz personnel responsible for such matters.

(d) Based on the result of that search and by making general and, when applicable, specific inquiries of Cole Schotz personnel, insofar as I have been able to ascertain after diligent inquiry, neither I, nor Cole Schotz, nor any member or associate of the firm has any connection with the Debtors, their creditors or any other party-in-interest, except as follows:

(i) Delair, L.L.C., one of the Debtors, has identified Uneeda Bolt & Screw Company, Inc. ("Uneeda") on the list of its twenty (20) largest unsecured creditors with a claim in the amount of \$127,531.04. Cole Schotz represents Uneeda on matters unrelated to the Debtors.

(ii) H.I.G. Capital ("HIG"), whose portfolio company is Signature Aluminum, an affiliate of Arch Acquisition I, LLC, an alleged creditor and a party interested in providing alternate debtor-in-possession financing and/or acquiring substantially all the Debtors' assets, is currently represented by Cole Schotz on matters unrelated to the Debtors.

(iii) Cole Schotz will not represent Uneeda or HIG in connection with any matters relating to the Debtors during the pendency of these Chapter 11 proceedings or the Committee in matters adverse to Uneeda or HIG. I am advised that HBR does not have any connection with either Uneeda or HIG and, therefore, will represent the Committee in matters involving Uneeda or HIG.

6. Cole Schotz does not hold or represent any interests adverse to the Debtors, their creditors or the estates in these matters, and Cole Schotz, its members, counsel and associates:

(a) are not creditors, equity security holders or insiders of the Debtors;

(b) are not and were not, within two years before the date of this Affidavit, a director, officer, or employee of the Debtors; and

(c) have no materially adverse relationships with any creditors, other parties-in-interest, or other professionals in connection with this or any other matter.

7. Cole Schotz intends to continue its ongoing conflict search if and when additional creditors and parties-in-interest are known, in an expedient manner. If any new, relevant facts or relationships are discovered or arise, Cole Schotz shall file and serve a Supplemental Affidavit promptly.

8. Pursuant to Section 504 of the Bankruptcy Code, no agreement or understanding exists between Cole Schotz or any other person to share any compensation or reimbursement of expenses to be paid to Cole Schotz in these proceedings.

9. To the best of my knowledge at this time, Cole Schotz has no connection with the Debtors, their creditors or any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the Office of the United States Trustee other than as previously mentioned.

/s/ Michael D. Sirota
MICHAEL D. SIROTA

Sworn and subscribed to
before me this 3rd day
of April, 2008.

/s/ Frances Pisano
FRANCES PISANO
A Notary Public of New Jersey
My Commission Expires 12/02/08